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THOMAS L. GARTHWAITE, M.D.  
Director and Chief Medical Officer

FRED LEAF  
Chief Operating Officer

COUNTY OF LOS ANGELES  
DEPARTMENT OF HEALTH SERVICES  
313 N. Figueroa, Los Angeles, CA 90012  
(213) 240-8101

April 5, 2004

TO: Each Supervisor

FROM: Thomas L. Garthwaite, M.D.   
Director and Chief Medical Officer

SUBJECT: **STATUS OF DEPARTMENT OF HEALTH SERVICES ALCOHOL AND DRUG  
SERVICES AGREEMENTS WITH TRI-CITY MENTAL HEALTH CENTER**

On February 17, 2004, the Board approved a motion by Supervisors Antonovich and Molina instructing the Director of Health Services to report back on the impact that the Tri-City Mental Health Center (Tri-City) bankruptcy filing would have on existing programs, and develop a contingency plan in collaboration with the Chief Administrative Officer and County Counsel to transfer clients to existing County-operated programs or existing contracted providers.

This Department's Alcohol and Drug Program Administration had two agreements with Tri-City. The first, Contract No. H-207509 provided \$214,000 annually for Tri-City to provide Proposition 36 outpatient counseling services, and the second, Contract No. H-207811 provided \$212,138 annually for Drug/Medi-Cal outpatient counseling services.

On February 13, 2004, Tri-City filed a voluntary petition under Chapter 9 of the United States Bankruptcy Code, Bankruptcy Case No. LA 04-13167 BR. Thereafter, Tri-City filed a Motion to Reject Certain Executory Contracts and Unexpired Leases, which was approved by the Bankruptcy Court. As of February 19, 2004, all Alcohol and Drug Program Administration clients served under these agreements were appropriately transferred to other local contracted providers. As agreed to on the record by the Debtor and the County, and approved by the Bankruptcy Court on March 5, 2004, Agreement Nos. H-207509 and H-207811 were terminated by court order as of the close of business on March 5, 2004.

If you have any questions or need additional information, please let me know.

TLG:dhd  
402:018

c: Chief Administrative Officer  
County Counsel  
Executive Officer, Board of Supervisor